2025 Wasabi Global Cloud Storage Index

Japanese Executive Summary Report

A collaboration between **Wasabi** and **Vanson Bourne**

Summary of key findings in Japan

The cloud storage market has a fee problem

- Almost half (**49%**) of user spending is on FEES, not storage capacity
- Budget overruns remain a perpetual challenge – **63% of surveyed organizations exceeded budgeted spend on cloud storage in 2024**
- **65%** say egress or other data access fees have delayed/hindered IT or business initiativess

Cloud data security remains paramount to storage decision-makers

- Storage decision-makers rank native data protection, security, and compliance features as their #1 consideration when choosing a provider
- Encryption, data durability and availability SLAs, and ransomware/malware recovery top the list of security features prioritized
- **But this year's analysis uncovered a significant gap: only 46% of organizations use object lock today, but with many (51%) having plans to introduce this over the next 12 months**

Organizations are doing more with their object storage

- Just **19%** of object storage capacity by volume is considered "Cold" **(i.e., capacity accessed annually or less frequently, with expected performance/access limitations)**
- In addition to emerging use cases like GenAI, secondary storage use cases like backup are also driving increased utilization. **66%** of Japanese survey respondents told us they recover data from their public cloud storage environments at least monthly. Only **3%** say they recover data daily

Cloud object services enable cost-effective storage for "active" archives

- Orgs are rethinking the value and useability of their archive data. Although many organizations think they will never access data stored in low-cost, deep archive tiers, the reality is most orgs (**69%**) end up accessing this data on a monthly basis
- The #1 reason driving archive data access in Japan? Security events like ransomware and/or malware
- **14%** of organizations have had business operations negatively impacted by performance or data access delays of cold storage tiers

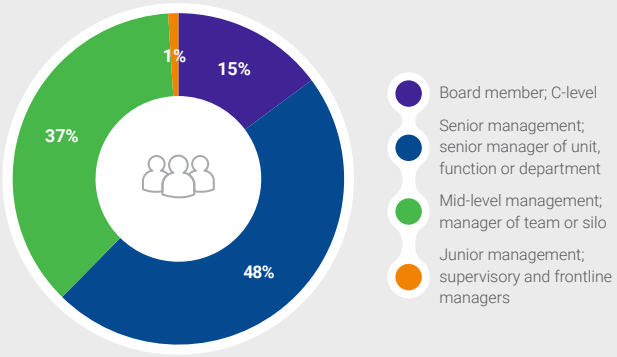
The 2025 Global Cloud Storage Index

In late 2024, Wasabi commissioned primary market research to better understand cloud storage market trends and dynamics. This Executive Summary provides a high-level overview of the results from Japan that IT decision makers should care about and apply to their organization's cloud storage strategy.

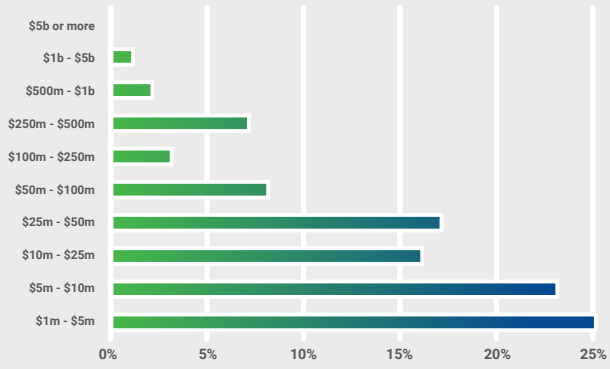
2025 marks the third consecutive year for the Wasabi Cloud Storage Index. This year, researcher Vanson Bourne surveyed 1,600 IT decision makers globally, **with 200 decision makers from Japan**. Respondents chosen to participate in the survey had to be involved in their organization's cloud storage purchase process. Respondents were asked questions covering a range of topics, including their organization's purchasing preferences for cloud storage, vendor satisfaction, key budgetary and usage challenges, billing segmentations and impact of various fee structures, expectations for data security and compliance, and how organizations are leveraging cloud object storage for active archiving use cases.

The findings from our survey data are designed to be representative of the public cloud storage market as a whole, and provide IT decision makers with reliable data points to help guide their strategic initiatives and understanding of market dynamics.

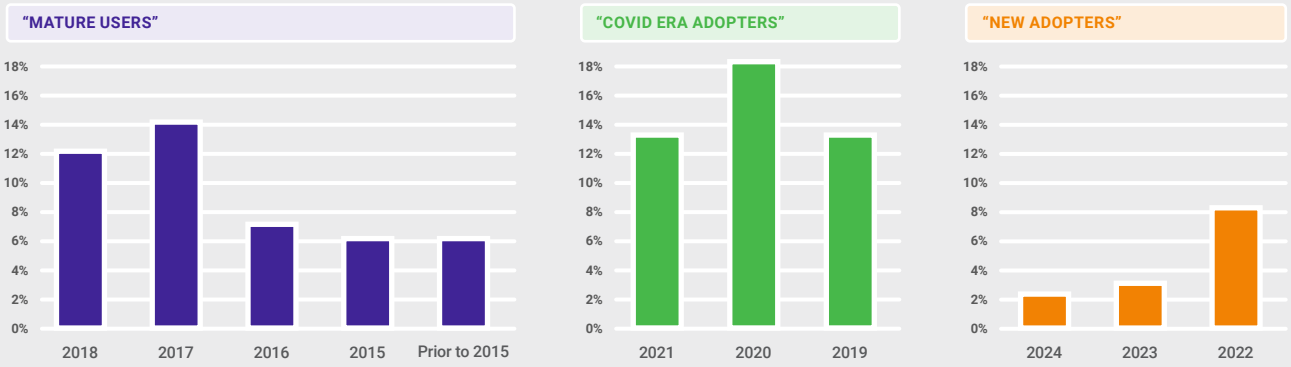
Which of these best describes your position in the organization?



What is your organization's global IT budget?



When did your organization first adopt public cloud object storage?



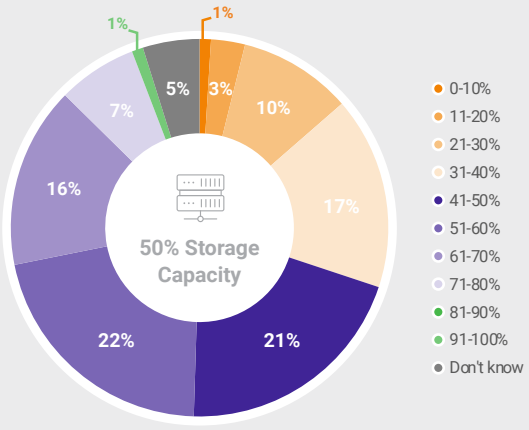
The cloud storage market has a fee problem

On average, approximately half of an organization's cloud storage bill in Japan is allocated to FEES, not stored capacity.

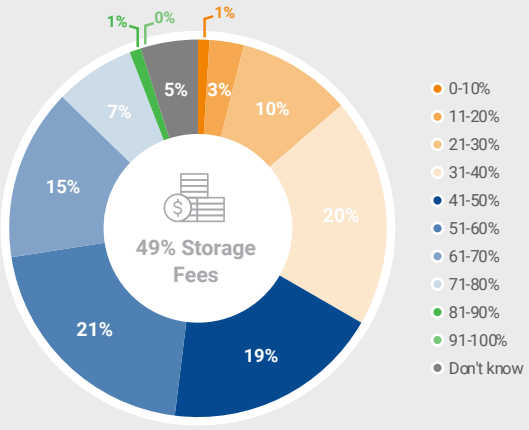
For the third year in a row, survey results illustrate the high proportional mix of fees incurred by organizations using cloud storage services.

To be exact, respondents show on average that **49%** of their billing is allocated to fees, while **50%** is allocated to actual storage capacity.

Approximately, what percentage of your organization's total public cloud storage subscription/ bill is allocated to the following areas:
Storage capacity

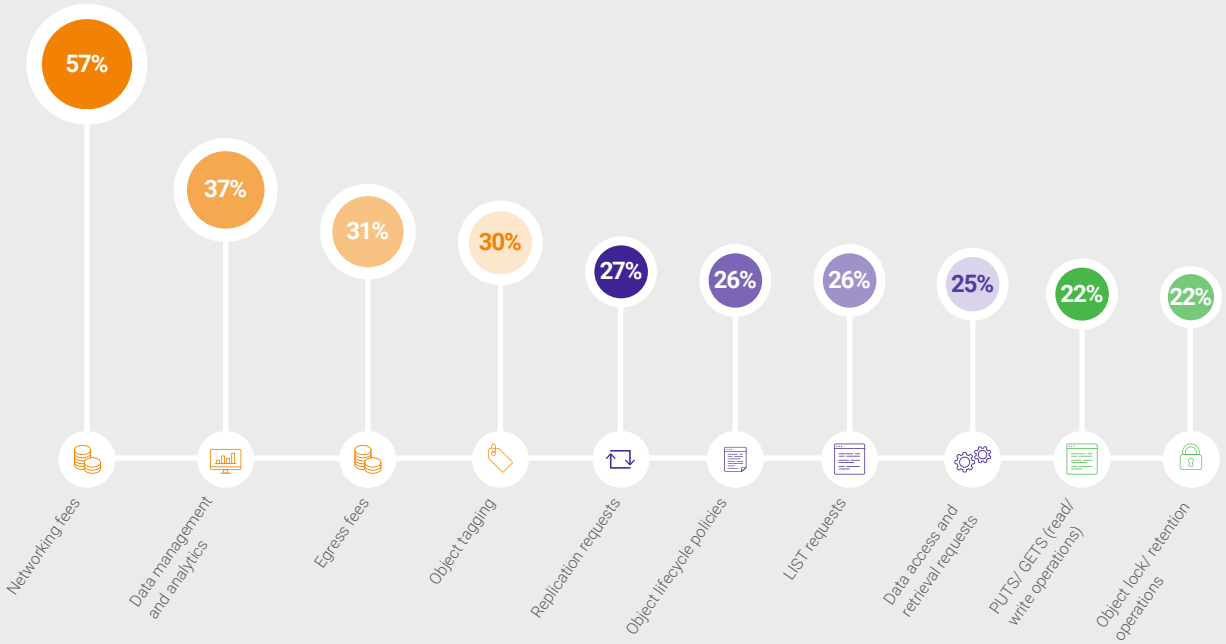


Approximately, what percentage of your organization's total public cloud storage subscription/ bill is allocated to the following areas:
Storage fees



What exactly are these fees? Most leading cloud storage providers charge a range of usage and access fees for data stored in their environments. Networking fees like egress, and API-based data operations fees for reads, writes, and lists are some of the most recognizable. But often, these are just the tip of the iceberg, with lesser-known fees for things like data retrieval, object lock, object tagging, object lifecycle, and replication requests making a material impact on monthly billing.

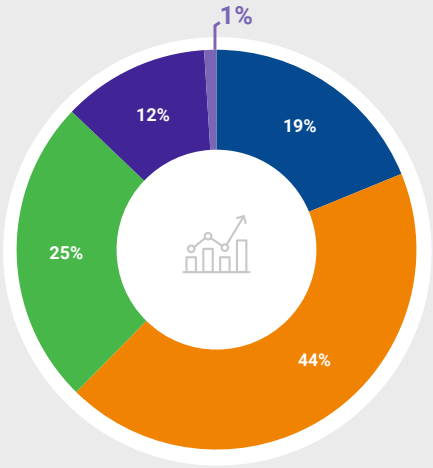
Which of the following features or operations do you believe contribute the most to the cloud storage fees your organization is being charged?



Fees hinder IT/business initiatives, create budget overruns, and erode user satisfaction

Complex fee structures result in a range of short- and long-term negative effects.

The cloud storage fee structures imposed by leading hyperscalers in Japan result in three major problems:

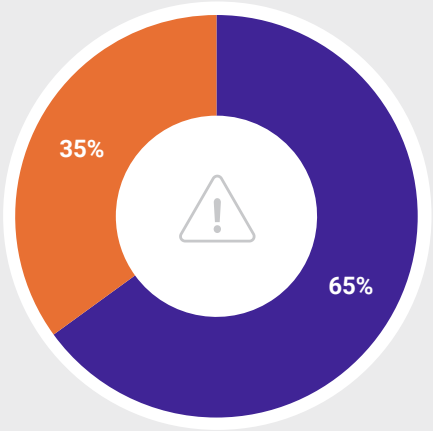


1. Budget overruns:

63% of organizations we surveyed say they exceeded their budgeted spending on cloud storage in the last year. Unfortunately, this is worse than last year's rate (**55%** exceeded budget).

Over the last year, how has your organization's actual spending on public cloud storage aligned with budget expectations?

- Spending on public cloud storage has **massively exceeded** budget
- Spending on public cloud storage has **slightly exceeded** budget
- Spending on public cloud storage has **aligned** with expectations
- Spending on public cloud storage has been **slightly below** budget
- Spending on public cloud storage has been **massively below** budget

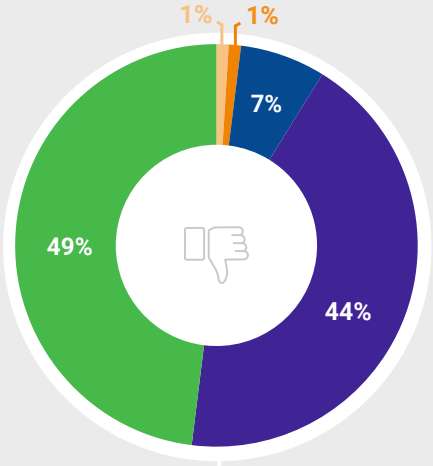


2. IT/Business hindrance:

Almost two thirds of respondents (**65%**) also said that egress or other data access fees associated with moving data out of public cloud environments delayed or hindered IT/business initiatives at their organization.

Have egress or other data access fees associated with moving your organization's data out of a public cloud environment delayed/hindered IT or business initiatives at your organization?

- Yes
- No



3. User dissatisfaction:

When we ask about user satisfaction, the vast majority of our respondents (**92%**) say they are satisfied with their cloud object storage services.

Thinking about all the public cloud object storage services you use, please rank your overall level of satisfaction with these services?

- Completely satisfied
- Satisfied
- Neutral
- Unsatisfied
- Very unsatisfied

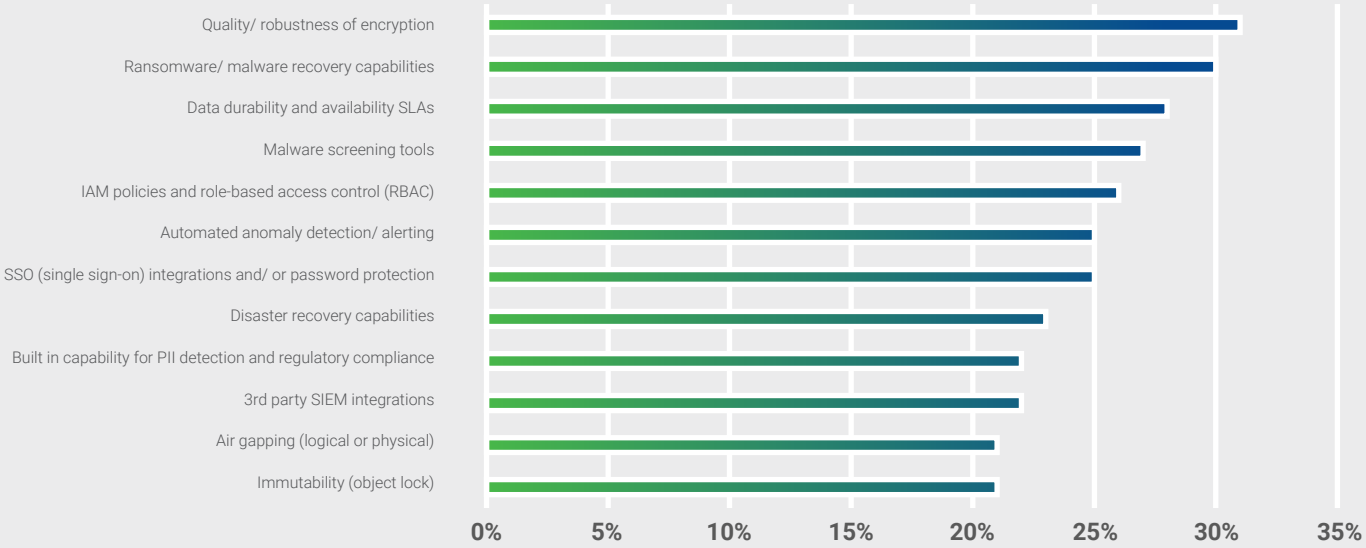
However, when we dig into the reasons why some respondents aren't completely satisfied, they rank pricing (including complexity of fee/billing structure, or pricing increases) and data backup/ protection concerns as their #1 reasons for dissatisfaction.

Cloud data security remains paramount to storage decision-makers

But many organizations lack utilization of native security features like object lock.

Survey results indicate that cloud storage decision-makers in Japan pay particular attention to security basics: **quality/robustness of encryption**, **ransomware/malware recovery capabilities**, and **data durability/availability SLAs** top the list of most important data security features that buyers look for from their services provider.

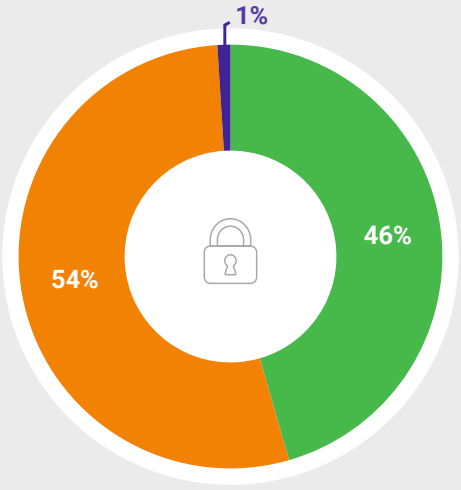
What are the most important data security features your organization looks for when choosing a cloud storage provider or service?



Interestingly, all Japan respondents (**100%**) say they believe their use of public cloud storage has resulted in data security-related benefits for their organization, **the top- security benefits cited by respondents are:**

1. **Easier prevention/mitigation of unplanned data loss events**
2. **Ability to move failover workloads to the cloud**

However, when we asked specifically about the use of object lock for immutability – a feature many organizations consider a critical part of their cloud data security strategy – we learned less than half (**46%**) of organizations in Japan are actually utilizing this today.



Why such **low utilization of object lock** today? We don't know for sure, but we posit that cost and fees associated with setting and maintaining object lock policies has something to do with it.

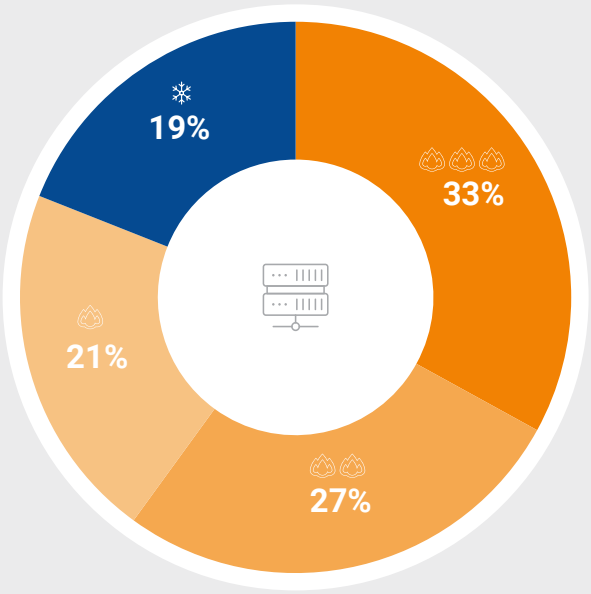
Is your organization currently using immutability (object lock) as part of its public cloud storage backup standard operating procedure?

- have object lock
- plan to introduce
- have no plans to introduce

Organizations are doing more with their object storage

Think you won't need to access those cloud backup copies? Think again...

Just about half of all cloud object storage capacity in Japan (**48%** by volume) sits in the "Goldilocks Zone" – not too hot, not too cold, an ideal characterization which is part of the reason why object storage can serve such a wide range of enterprise applications and workloads.



Thinking about your organization's cloud object storage capacity, approximately what percentage of stored volume sits within the below categories?

"Super" Hot
Primary storage for business apps, content delivery and file sharing, databases, etc. App/workload performance requires extremely fast access and read/write times.

Hot
Primary storage for business apps accessed less frequently – daily/weekly basis.

Warm
Secondary storage for backup and recovery or "active" archive use cases. Data accessed monthly/quarterly with few performance requirements.

Cold
Secondary storage for archive data accessed annually or less frequently, with expected performance limitations in terms of access.

Interestingly, only **19%** of object storage capacity was labeled as "cold." In our opinion, this provides an important illustration of the direction of the cloud object storage market overall. It's not just about placing long-term, inactive archive data in the cloud. Organizations are consistently "doing more" with their data.

But "doing more" with your data has a wide range of interpretation. Let's use backup as an example. This year, **66%** of survey respondents told us they recover data from their public cloud storage environments at least monthly (but this is substantially lower than the global average of **85%**). Furthermore, **3%** say they recover data daily. Some of this is driven by more granular requirements around RTO/RPO. But adding to this are growing demands/requirements to test and update backup copies on a regular basis – increasing access. Finally, growing utilization of backup copies for dev/test requirements in novel areas like GenAI are also driving increased access to secondary storage.

How often, if at all, does your organization recover data from its public cloud storage environment for backup and data recovery purposes, including testing?

Cloud object services enable cost-effective storage for “active” archives

Growing requirements to retain and access stored volumes of data over longer durations will redefine expectations of the storage “archive”

All Japanese respondents in this year’s Cloud Storage Index indicate they are using cloud storage for an archive-related use case. Analytics and data processing, expansion of primary storage (for cost purposes, performance needs etc.), security analytics and forensics (e.g., advanced threat detection/ hunting), collaborative applications (e.g., email, messaging, enterprise social media), and regulatory and compliance requirements top the list of “active” archive use cases.

The good news is cloud object storage can often be utilized as a cost-effective, performant solution for a range of active archive use cases. The bad news is many “cold” object tiers have performance and access penalties for touching data that is meant to be retained cheaply and over the long term. How does this impact the **end user**? Unfortunately, **99%** of respondents **have to deal with performance degradation and/or data access penalties associated with touching data held in a cold storage tier. And this happens frequently, 69%** of respondents indicate they are accessing their archive data at least monthly.

How often, if at all, does your organization have to access or retrieve cool/cold data from a cloud tier that has performance degradation/access penalties?

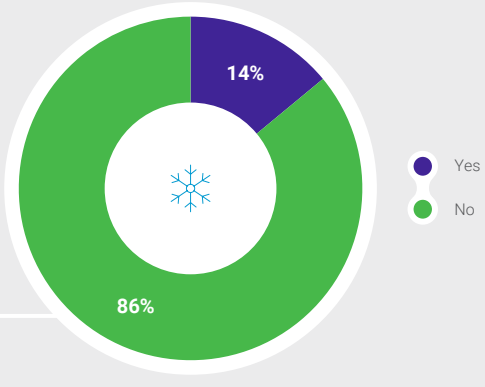
Another important nuance uncovered in this year’s analysis is that much of this archive data access is driven by requirements and influencing factors which are outside the direct control of the end user/organization. When we asked about the primary reasons for rehydrating/accessing cold data, respondents chose:

1. **Security events (e.g., ransomware/malware)**
2. **Regulatory and compliance needs**

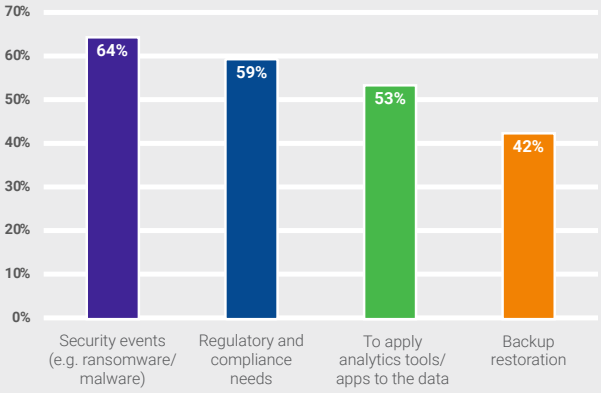
In other words, archive data access is not always the result of planned/known activities.

As usage and access continues to increase, so will the challenges associated with performance delays and fees. Today, **14%** of Japan organizations have had their business operations negatively impacted by performance/access delays of their cold storage tier.

Have your organization’s business operations been negatively impacted by performance or data access delays of cold storage tiers?



What was the primary reason(s) for your organization to rehydrate/access the cold data??



How was your organization’s business operations negatively impacted by performance or data access delays?

- *“This sparked a backlash from shareholders.”* - **Japan respondent, IT, technology and telecoms**
- *“Development work was temporarily halted due to delays in data access.”* - **Japan respondent, IT, technology and telecoms**

Survey methodology

Survey details

Wasabi commissioned independent agency Vanson Bourne to conduct primary market research into cloud storage. The study surveyed 1,600 IT decision makers, including 200 decision makers within Japan who had at least some involvement in or responsibility for public cloud storage purchases in their organization. The research took place in November and December 2024 and surveyed organizations with more than 100 employees across all public and private sectors. All interviews were conducted using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

Vanson Bourne

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